

April 30, 1975

SENATOR LEWIS: That relates back to page 12 when the only time the people vote, it says no general obligations bond shall be issued without the approval by a majority vote of the qualified voters in the area.

SENATOR MARVEL: Could you tell me, and I'm not trying to knit pick this bill, I'm trying to understand it to find out what the real impact is so I can make a decision as to what to do. I guess I have to ask you the question again, if I can, that 2 1/2 mills can be levied without a vote of the people?

SENATOR LEWIS: That's correct.

SENATOR MARVEL: Now, if you go whether it's revenue bonds or general obligations bonds, now when you go beyond that, then you referred me back to page 12.

SENATOR LEWIS: Page 12 line 9. The only thing that the people would vote on would be in regard to general obligations bonds. Obviously if you have revenue bonds, those bonds are issued on the idea that the revenue that you bring in would retire those bonds. The only vote of the people would be on general obligations bonds and those would not be issued beyond, without the approval of the voters. The one mill that you have for capital outlay would be probably placed in a sinking fund for five years and used for a building program at that point. You might want to build a student center, let's say, or a book store or something where you could pay that bond off by retiring it from the revenue. Which wouldn't involve tax money at all.

SENATOR MARVEL: When it comes to the section 14 on warrants, does this delegation of authority allow these local boards something that other boards do not have?

SENATOR LEWIS: No, it doesn't. The local school boards right now, for public elementary and secondary schools, may issue warrants and as I recall the language on issuing of warrants, you may issue warrants only for a percentage of your anticipated receipts. I believe that's 60 to 70 percent of your anticipated receipts for which you may issue warrants. Most school boards don't use that procedure, most of them have bid procedures where they bid the borrowing of money. At least that's my experience. But warrants are a standard form particularly in public elementary and secondary schools.

SPEAKER: Does that answer your question, Senator Marvel?

SENATOR MARVEL: Am I running out of time?

SPEAKER: No, no, I said, does that answer your question?

SENATOR MARVEL: The only other question I still have on warrants is, they can proceed to issue warrants until the proceeds of the tax levy is provided in section 15 are